

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 14, 1996

SUBJECT: **HB 2072 - SB 2389**

This bill, if enacted, will waive the required thirty (30) day waiting period for a voluntary sterilization procedure if the procedure is to be performed while such person is an in-patient in a hospital for any other purpose. The bill prohibits individuals from participating in TennCare if they have access to other insurance. The bill also requires any person with knowledge of an ineligible TennCare enrollee to report the same to the TennCare Bureau.

The fiscal impact of this bill is estimated to decrease federal revenues to the TennCare program. Federal regulation requires a thirty (30) day wait for sterilization procedures except in emergencies. Allowing violation of this regulation for TennCare procedures could jeopardize a portion of federal reimbursements to the program.

The fiscal impact of this bill is also estimated to result in increased expenditures to MCO's since Medicaid eligibles are presently allowed to have other insurance coverage. This insurance coverage reduces the amounts paid out by the MCO's. It is assumed that Medicaid eligibles would drop such coverage since TennCare coverage would be of more

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value to them. Eliminating this insurance could result in higher capitation rates paid to the MCO's. The amount of increase cannot be determined but is estimated to exceed \$100,000 over time.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive, flowing style.

James A. Davenport, Executive Director